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In Hungary, the October 1953 Resolution of the Central Committee of the Hungarian Workers Party clearly demonstrated that there were still shortages of good textiles, ready-made clothing, shoes, furniture, dishes, household articles, and similar items. Consumers in the villages find it hard to obtain small machinery, artificial fertilizer, tools, nails, wire, building material, lime, and similar products.

The East Berlin Taegliche Rundschau describes the consumer goods situation in East Germany as follows: Large numbers of people, particularly workers in villages, have not found much improvement in the consumer goods situation. It is difficult to find canned or fresh fish, but this is not the only problem, since other food items are also scarce. Peasants still lack tools. They cannot obtain chains, nails, sieves, screw drivers, or similar items. Peasant women lack scarves; kitchen utensils, such as wash basins, pots, and other household articles; and hairpins.

In Bulgaria, shoes are still unpaired. In Rumania, conditions are no better. In Albania, the government complains of its inability to supply tinsmiths with tin required for repair work.

#### Agricultural Production

Although the results of new agricultural policies will not be known before 1955, the Satellite press is already complaining bitterly that important preparatory measures for increased agricultural production are not being implemented. Progress is slow in assigning specialists, upon whom increased agricultural production and livestock development depend, to cooperative farms and MTS. [See following section on economic personnel in the USSR and Satellite countries].

According to Selskoe Khozyaystvo, in Gor'kovskaya Oblast in the USSR not more than 1,000 of 3,662 agricultural specialists with upper or secondary specialized school training are employed in kolkhozes. In this area, important agricultural projects are unusually retarded. According to Moscow's Izvestiya, in the Kaluzhskaya Oblast scarcely half of the 2,333 agricultural specialists are employed in production. Pravda states that the state plan for the development of livestock in Tambovskaya Oblast is not being fulfilled. The kolkhozes in this oblast have fulfilled only 53 percent of the winter livestock fodder plan.

Agricultural conditions are particularly poor in the non-Russian republics. According to the Tbilisi Zarya Vostoka, only 327 agronomists with higher education are employed in the 2,060 kolkhozes of the Georgian Republic, while in the republic Ministry of Agriculture and the establishments under its jurisdiction, 2,414 agronomists are employed. The paper states that agricultural specialists prefer to remain in the city and are prone to take work outside their field in order to do so. The same conditions prevail in Kazakhstan, Kirgizia, the Ukraine, and Belorussia.

In the Satellites, agricultural difficulties find various modes of expression. Collectivization has been slowed or even halted because credit has been extended to individual peasants. To increase agricultural production, it seems that Satellite governments are making contacts with kulaks who have not been won over to socialism. In Czechoslovakia, deputy prime minister Jindrich Uher explained the kulaks would be aided in meeting quotas since most of the agricultural area was in their hands.(1)

At the plenary sessions of the Central Committee of the Communist Party of Czechoslovakia, held on 16 and 17 December 1953, measures for the development of agricultural production and the successful implementation of government purchasing of agricultural products were discussed. It was established that agricultural production is at about prewar level. Measures proposed at the sessions provide ample evidence of the resistance of Czechoslovakia's peasants to socialization of

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villages according to state capitalism of the Stalin type. Discussions centered on preserving the voluntary principle in establishing collectives, aiding individual peasants, decreasing compulsory delivery quotas, and nominally increasing crop purchase prices.(2)

In Rumania, Premier Gheorghiu-Dej stated that in the interests of the national economy, kulak estates should produce considerable quantities of agricultural products, and that it was therefore necessary to enable them to take [a more active] part in agricultural production and exchange of goods. State-owned land is even being leased to kulaks, who now own more than 50 percent of the total arable land. (1)

The government turned over to cooperative farms 448,000 hectares of land from government property reserves. It is believed this was done under popular pressure, and because of difficulties encountered in agricultural production in the postwar period. Compulsory crop deliveries and forced collectivization without proper equipment and technical resources have caused a catastrophic decrease in agricultural production and a sudden drop in the standard of living.

Among the more important decrees promulgated by the Rumanian government in September 1953 were the Decree on the Repeal and Reduction of Taxes Affecting Independent Peasants and Peasants in Cooperatives; the Decree on the Repeal of Overdue Crop Delivery Obligations for 1952; and the Decree on the Decrease in Prices for Water Supplies, Sewage, and Sanitation.(3)

In Bulgaria, land is being assigned to individual peasants for their personal use.

The above is evidence of the fact that coercive organization of cooperatives has not stimulated production; and that the state cannot depend upon the small and middle peasants, whom it attempted to force into collectives and did nothing to strengthen economically. It indicates the seriousness of the political and economic crisis in the Satellite countries.(1)

#### Economic Personnel

In the USSR, economic experts are being placed in charge of party activities. In rayon committees of agricultural areas these will include agronomists, veterinarians, engineers, and generally more specialized personnel. By government decree, these experts are invading the villages and establishing themselves largely in MTS.

The Budapest Szabad Nep states that it is necessary to stress repeatedly the need to elect the best Communist engineers, technicians, agronomists, teachers, and independent peasants to positions of administrative leadership. The Prague Rude Pravo states that it is necessary to enlist new party members for important sectors of economic and public life, always bearing in mind the needs of the [party] organization.

Statistics demonstrate that the Communist parties in the Satellites, and particularly in the USSR, have been chiefly made up of intellectuals, especially white-collar workers. In line with improving the party structure, there is much talk in the USSR of assigning educated people to positions of administrative leadership. Leaders are being sent to take courses to improve their work.

If the above is considered in the light of Malenkov's frequently publicized claims on the need for direct party leadership in state and economic administration, it is obvious that party committees are expected to transform themselves into the most qualified administrative agencies in the rayons and oblasts.

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A constant refrain heard at electoral meetings is that numerous party, trade union, and other personnel [engaged in party work] have become bureaucratic and do not maintain contact with the people.

The following means of improving the situation have been suggested: Committee members should cover their areas, supervise the implementation of party and government resolutions, and above all refrain from shutting themselves up in their offices and attempting to operate through "paper channels."

Conditions appear to be quite different in basic party organizations. It has been proposed that party members occupy positions in production. However, the Soviet press has described some very poor examples of this. In Gomel'staya Oblast, only 5 percent of party members in kolkhozes are employed in heavy field jobs. In Vladimirskaya Oblast, more than 1,500 party members in kolkhozes have office jobs.

In Hungary, there has been much criticism (in Szabad Nep) of administrators who are not interested in the people, and who are incapable of discharging their administrative duties.<sup>(4)</sup>

Trade Between the USSR and the Satellites

In January 1954, Siroki, prime minister of the Czechoslovak government, made a speech in which he stressed that Soviet-Czechoslovak economic ties represented normal commercial relations between two friendly countries, and not an expression of gratitude to the USSR. He added that by forwarding deliveries in a prompt and orderly fashion to the USSR, the government was providing for sufficient food supplies to the population, and for raw materials for its light and heavy industries.

Recently, various Satellite countries have gone to a great deal of trouble to try to convince their respective populations of the equality and correctness of their relations with the USSR. It appears very likely that the USSR may have provided the initiative for such propaganda.

In Rumania, direct intervention of the Soviet government in the country's economy has reached greater proportions than in any other Satellite country. More than 15 mixed organizations under the jurisdiction of Soviet specialists have been exhausting the vast riches of this naturally endowed but never economically independent country. However, in the latter part of 1953, three Soviet-Rumanian mixed companies were liquidated: the Sovromtransport (Soviet-Rumanian Transportation Company), in charge of naval, river, and highway transportation; the Sovromkonstructia (Soviet-Rumanian Construction Company), in control of more than one half of Rumania's construction activities; and the Sovromasigurare (Soviet-Rumanian Insurance Company), which has a total monopoly in its field.

Official reports indicate that Rumania has decreased the export of certain foodstuffs to the USSR. Other reports indicate that the prices of goods in special stores supplying goods to Soviet specialists have been raised in an attempt to make them conform with the prices of goods in the regular stores. Recently the Rumanian government issued a decree raising the gold standard of the Rumanian leu, thus revising the parity between the leu and the ruble. (The former parity of 1:2.8 to the advantage of the ruble is now 1:1.5.) It is expected that the new parity will give Rumania certain advantages as regards foreign exchange with the USSR. However, if the history of Soviet relations with the Satellites can be used as a guide, the USSR has always known how to reimburse itself for any gifts or privileges it accords. In early 1953, when the USSR returned certain enterprises to Hungary, the USSR simultaneously lowered the parity between the Hungarian forint and the ruble. Now that the Sovromasigurare is being dissolved, some reports indicate that the Rumanians

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are obliged to pay for the Soviet share of the firm in dollars, based on the 1938 rate of exchange, and to insure 80 percent of the property of the new Rumanian ADASE (Administratia de Asigurare, Insurance Administration) with a Soviet insurance company.

For a number of years, the trade of the Satellites has been largely directed to the USSR. More than 60 percent of Hungary's foreign trade is with the USSR, and 20 percent with the other Satellites. The same applies to the foreign trade of Czechoslovakia, Rumania, and Bulgaria. In the latter part of 1953, the USSR ordered from Hungary numerous locomotives and railroad cars for the Transsiberian railroad. Price per kilogram of railroad cars was 6 forints; while in Switzerland the price was three times as high.

For some time, all the Satellites have been trying to reestablish or expand trade relations with non-Communist countries. Such efforts have been directed particularly toward the Middle East and South America, but have also included countries of Western Europe. Some Satellites have even resorted to dumping in order to overcome the powerful competition of other exporting and importing countries. Such recent incidents point to the existence of an acute shortage, in the Satellites, of such items as foodstuffs, and raw materials needed in metallurgy. They also indicate that in the interest of freeing itself from its present isolated position, the USSR is allowing greater freedom of action to the Satellite countries. In 1953, Hungary endeavored to contract trade agreements with 14 non-Communist countries. (5)

## SOURCES

1. Belgrade, Politika, 10 Jan 54 (article by Dragoljub Katic)
2. Ibid., 28 Jan 54 (article by Bozidar Kicovic)
3. Ibid., 30 Dec 53 (article by S. Ljubisavljevic)
4. Zagreb, Borba, 11 Feb 54 (article by Gavro Altman)
5. Ibid., 4 Feb 54 (article by Gavro Altman)

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